COPY

OF THE

POWERS given by the DIRECTORS of the *Royal Exchange Assurance Company* at *London*,

TO

JAMES ARMOUR Writer in *Edinburgh*,

To offer PROPOSALS for making

The BANK of *SCOTLAND*

More Useful and Profitable.

Mr JAMES ARMOUR,

London, 16. *August* 1721.

SIR,

WE whose Names are hereunto subscrib'd, being a *Committee* appointed by a *Court* of *Directors* of the *Royal Exchange Assurance Company*, for treating with you in reference to a *Proposal*, which (as you had signified) you was ready to offer, with a View to serve the said *Company*; having several Times conferr'd with you, and consider'd of what you propos'd, are of Opinion, That if the BANK of *Scotland* was furnished with a greater Quantity of *Cash* than what she is now possest of, she might considerably increase her *Loans*, and from the *Interest* of em make much greater *Profits* than she does now, or can do, upon what *Cash* the *Proprietors* of that BANK have hitherto paid in. And we being willing

willing, that the *Royal Exchange Assurance Company* should enable the BANK to that Purpose, by lodging with her a certain Sum of Money, upon the *Conditions* hereafter mentioned, which we hope, will not be disagreeable to that *Company*; DO THEREFORE desire you to Treat with the *Governour* and *Company* of the BANK of *Scotland*, or such as are, or shall be vested with sufficient *Powers* from them; and to offer it as our Opinion, That the *Royal Exchange Assurance Company* should lodge in that BANK a *Sum* not exceeding *Twenty Thousand Pounds Sterling*, upon that BANK's becoming bound and obliged, by a proper *Instrument* or *Deed* in Writing, to repay the same to the *Royal Exchange Assurance Company*, within the Space of Twelve Months next after the same shall be demanded, and that they agree that the whole *Surplus* of *free Profits* arising to the BANK by the *Interest* of her *Loans*, from the Date of the *Agreement*, be equally divided betwixt the *Two Companies*, after deducing and allowing to the *Proprietors* of that BANK's *Stock* the Sum of * *Two Thousand Five Hundred Pounds per Annum*, as a Dividend of *free Profits*, upon the *Twenty Thousand Pounds Sterling* already paid in by them of their *Capital*, so long as the said Sum of *Twenty Thousand Pounds Sterling*, to be advanced by the *Royal Exchange Assurance Company*, or any Part thereof, shall remain with the said BANK. But it is to be understood, that the BANK shall not be at Liberty to Repay the *Sum* that shall be advanced to them, by the *Royal Exchange Assurance Company*, for the Space of *Nineteen Years* next after the Executing of the *Agreement*, unless it is sooner demanded by the *Royal Exchange Assurance Company*, upon *Twelve Month's* Notice, as aforesaid.

As it will be for the Interest of both *Companies* in case of this *Agreement*, that People be encouraged to borrow of the BANK of *Scotland*, therefore that BANK is to be at Liberty to lend at such low *Interest* as the BANK COMPANY shall think proper, being only to be accomptable in Proportion to what she receives; And tho' the Bank is not oblig'd by the *Agreement* here proposed, to call upon the PROPRIETORS of *Bank-Stock* for any more of their Capital than what is already paid in, yet it is to be understood, That the *Twenty Thousand Pounds Sterling*, already paid in by them of their *Capital*, is to remain in the BANK, so long as the aforesaid Sum of *Twenty thousand Pounds Sterling*, or any Part thereof, which the Royal Exchange Assurance Company is to lodge in the BANK, continues with her: And in case the *Governor* and *Company* of the BANK of *Scotland*, or such as are or shall be vested with full *Powers* from them, think fit to agree to, and accept of these *Proposals*, we promise, upon your reporting thereof to us, to use our *Endeavours* to perswade the *Royal Exchange Assurance Company*, on their Part, to agree to *ratifie* and *execute* the same.

* N. B. *This is the Dividend the Bank are in Use to make, being* 20 per Centum *upon the L.* 10000 Sterl. *first paid in of their Capital, and L.* 5 per Cent. *upon the* second Payment.

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THESE *Propoſals* we offer upon the Aſſurances you have given us, that the BANK does lend nothing, but either upon Land-Security in *Scotland*, where Regiſters are kept, or elſe upon perſonal Security, where Three Perſons reputed to be reſponſible, are jointly bound: We wiſh you good Succeſs, and are,

SIR, *Your humble Servants,*

RAND. KNIPE, *Dep. Gov.*
ROB. LOCKWOOD.
JN°. PHILIPS.
WILL. DUNSTER.
THOM. PANUWELL.
JAM. BRADLEY.

Mr. JAMES ARMOUR,

London, 16th Auguſt 1721.

SIR,

WE whoſe Names are hereunto ſubſcrib'd, being a *Committee* appointed by a *Court* of *Directors* of the *Royal Exchange Aſſurance Company*, for treating with you in Reference to a *Propoſal*, which (as you had ſignified) you was ready to offer, with a View to ſerve the ſaid *Company*, having conferred with you, and conſidered of what you propoſed, are of Opinion, that it would be for the Advantage, both of the ſaid *Company*, and of the BANK of *Scotland*, that an *Intercourſe* of *Exchange* were ſettled betwixt them: Therefore, in order to engage that BANK in this, by ſatisfying the *Proprietors*, that they can run no *Riſque* in it, we deſire you to offer it as our Opinion, That the *Royal Exchange Aſſurance Company* ſhould agree to *honour* and *pay*, from Time to Time, *Bills* of *Exchange*, to be drawn on this *Company* by the *Governor* and *Company* of the BANK of *Scotland*, or by ſuch Perſon or Perſons as they ſhall appoint, to the Amount of *Five thouſand Pounds Sterling*; the ſaid BANK being always to anſwer from Time to Time, any *Bill* or *Bills* to be drawn upon *her* by the *Royal Exchange Aſſurance Company*, or ſuch as they ſhall appoint, to the *Amount* of what *Sum* or *Sums* this *Company* ſhall have paid, on that BANK's *Bills* for the Time: And how oft ſoever that BANK, by anſwering *Bills* to be drawn upon *her* by the *Royal Exchange Aſſurance Company*, ſhall repay any Part of what this *Company* ſhall have advanced upon *her Bills*, ſo far may the BANK *renew* her *Draughts* upon the

the *Royal Exchange Assurance Company*, but so as the *Amount* of *what* she shall be in Arrear to that *Company*, upon the Head of *Bills* of *Exchange*, shall not exceed the said *Sum* of *Five thousand Pounds Sterling* at any one Time, upon this *Condition* always, That the free *Profits* to be gain'd by Way of *Exchange*, upon these *Bills* to be drawn by both *Companies*, shall be equally divided betwixt the said Two *Companies*, a just and equal *Half* to *each*; Each *Company* being to defray the Charges of *Postage* and *Management* on their own Side, without deducting any Thing from the *Profits* of the *Exchange*, and that the *Accompts* thereof shall be fitted and cleared 'twixt them, as often as either of them shall require: And in case the *Governor* and *Company* of the BANK of *Scotland*, or such as are or shall be vested with sufficient *Powers* from them, think fit to *agree* to, and *accept* of these *Proposals*, we promise upon your reporting thereof to us, to use our outmost Endeavours to perswade the *Royal Exchange Assurance Company*, on their Part, to *agree to*, *ratifie*, and *execute* the same. We wish you good Success, and are,

SIR, *Your humble Servants*,

RAND. KNIPE. *Dep. Gov.*
RO. LOCKWOOD.
JN° PHILLPS.
WILL. DUNSTER.
THOM. PANUWELL.
JAM. BRADLEY.

POSTSCRIPT.

THOSE of the *Bank-Proprietors*, to whom the *Propoſals* offer'd, are acceptable, would do well, to give their Votes for ſuch *Gentlemen*, to be *Directors Ordinary* and *Extraordinary*, as will calmly and without Prejudice *Examine them*, the *Governour* and *Deputy-Governour* being already choſen with Approbation.

A good Number of the *Bank Proprietors*, ſeeming to agree in the following *Liſt*, I venture to ſubjoin it.

For Ordinary Directors.

James Auchinleck of *Woodcockdale.*
Alexander Cleghorn Merchant in *Edinburgh.*
William Drummond Writer there.
Thomas Dundas late Baillie there.
Andrew Fletcher Younger of *Saltoun.*
Alexander Glaſs Writer to the Signet.
James Gordon Senior Mert. in *Edinb.*
Alexander Hamilton of *Daichmont.*
John Lumſdain Writer to the Signet.
Andrew Marjoribanks of *That-Ilk.*
Thomas Pringle Writer to the Signet.
John Ruſſel of *Broadſhaw.*

Extraordinary Directors.

Sir *John Anſtruther* of *That-Ilk.*
William Baillie of *Lamingtoun.*
Mr. *Alexander Campbell* Advocate.
Sir *Hugh Dalrymple*, Lord Preſident of Seſſion.
Sir *John Elphingſton* Advocate.
Mr. *James Graham* of *Airth* Advocate.
Sir *Francis Grant* of *Cullen.*
George Lockhart of *Carnwath.*
Sir *James Mackenzie* of *Royſtoun.*
Walter Montgomery of *Kirktounholm.*
Sir *John Swinton* of *That-Ilk.*
Robert Watſon of *Muirhouſe.*

POSTSCRIPT.

THOSE of the Bank-Proprietors, to whom the Proposals offered, are acceptable, would do well, to give their Votes for their Gentlemen, to be Directors Ordinary and Extraordinary, as will calmly and without Prejudice Examine them, the Governor and Deputy-Governor being already chosen with Approbation.

A good Number of the Bank-Proprietors, seeming to agree in the following Light, I venture to subjoin it.

For Ordinary Directors.

James Macpherson of Pitmedden.
Alexander Cleghorn Merchant in Edinburgh.
William Drummond Writer there.
Thomas Dundas late Bailie there.
Andrew Fletcher, Younger of Saltoun.
Alexander Gibb, Writer to the Signet.
James Gordon Senior Merchant in Edinb.
Alexander Hamilton of Dalkeuran.
John Lumsdain Writer to the Signet.
Andrew Macpherson of Phalargan.
Thomas Pringle Writer to the Signet.
John Ruffel of Broadlaw.

For Extraordinary Directors.

Sir John Inglis of Cramond Bart.
Sir John Inglis of Tullybole Bart.
William Baillie of Lamington.
Alexander Cuming of Culter.
Alexander Grandel Advocate.
Joseph Dalrymple, Lord Prestonhall.
Sir John Inglis of Manner.
James Boswell of Auchinleck Advocate.
James Graham of Airth Advocate.
Sir Francis Grant of Cullen.
George Lockhart of Carnwath.
Sir James Macdonald of Sleat.
Hector Macgowan of Kilbucho.
Sir John Swinton of Kimmerghame.
Robert Wright of Mauldsley.

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